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DME MAC NEWS #1 - DME MAC Implementation's Effect on Suppliers

Key Words

SE0628, DME, MAC, Implementation, Transition, NHIC, AdminaStar, Jurisdictions, Contracting, Reform

Provider Types Affected

Suppliers that bill Medicare durable medical equipment regional carriers (DMERCs) for their services, especially suppliers in the states of **Kentucky, Maryland, Virginia, West Virginia**, and the **District of Columbia**

Key Points

- The Centers for Medicare & Medicaid Services (CMS), in consultation with the current DMERCs, has created a process to transition from DMERCs to the new durable medical equipment (DME) Medicare Administrative Contractors (MACs) in a way that presents the least disruption to the DME supplier community.
- This will be especially helpful to the suppliers in the states of Kentucky and Maryland, and the District of Columbia, which will soon transition to be serviced by a different Medicare contractor.
- The Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA) (P.L. 108-173) allows CMS to take appropriate steps to transition from contracts under Section 1842(a) of the Social Security Act to contracts with MACs under section 1874A.
- The changes to Medicare's administration of the fee-for-service program (Medicare Contracting Reform) are designed to increase the efficiency of Medicare's claim processing and related functions. They will benefit Medicare providers and Medicare's enrollee population.
- For more information on Medicare Contracting Reform and plans for the acquisition and implementation of MACs, suppliers should see MLN Matters article SE0624 at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0624.pdf> on the CMS web site or visit the Medicare Contracting Reform web page at <http://www.cms.hhs.gov/MedicareContractingReform/> on the CMS web site.

- On January 6, 2006, CMS announced the following:
 - The DME MAC contract for Jurisdiction A (Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont) was awarded to National Heritage Insurance Company (NHIC).
 - The DME MAC contract for Jurisdiction B (Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio, and Wisconsin) was awarded to AdminaStar Federal, Inc.
 - The DME MAC contract for Jurisdiction C (Alabama, Arkansas, Colorado, Florida, Georgia, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, U.S. Virgin Islands, Virginia, and West Virginia) was awarded to Palmetto GBA, LLC.
 - The DME MAC contract for Jurisdiction D (Alaska, American Samoa, Arizona, California, Guam, Hawaii, Idaho, Iowa, Kansas, Missouri, Montana, Nebraska, Nevada, North Dakota, Northern Mariana Islands, Oregon, South Dakota, Utah, Washington, and Wyoming) was awarded to Noridian Administrative Services.
 - A protest of the DME MAC awards for Jurisdictions C and D was filed with the General Accounting Office (GAO) in January 2006. Until GAO issues a decision (due May 4, 2006) on the protest, any activity associated with the contract awards for administration of MAC Jurisdictions C and D is on hold.
- The decisions regarding the transition to the DME MACs include the following:
 - Two DME MACs (National Heritage Insurance Company, Inc. (NHIC) and AdminaStar Federal) will each assume full responsibility for the work of their respective geographic jurisdiction on July 1, 2006.
 - These two new DME MACs have established web pages that will be updated regularly with implementation information, contact numbers, and e-mail addresses. The contractors' web pages are:
 - NHIC: <http://www.medicarenhic.com/dme/index.shtml>
 - AdminaStar: <http://www.adminastar.com/Providers/DMERC/ContractorReform/ContractorReform.html>
 - There will be no need for DME suppliers currently enrolled in the Medicare fee-for-service program to re-enroll or obtain a new supplier number. Enrollment information will transfer to the new DME MACs.
 - Current EDI Support for each DME region/jurisdiction has been extended until at least September 30, 2006.
 - DME MACs will continue to support all DME free billing software packages.
 - Although suppliers in Kentucky, Maryland, and the District of Columbia may continue to submit electronic claim transactions to the DME contractor that currently services them and have the claims redirected to the appropriate DME MAC, CMS encourages suppliers to connect to the DME MAC that will service them effective July 1st.

- Connection to the servicing DME MAC will be required to receive all electronic output, including electronic remittance advices.
- Suppliers in Kentucky or those in the states that will be serviced by NHIC must complete a new copy of the Authorization Agreement for Electronic Funds Transfer and submit it to their new DME MAC if they wish to continue to receive Medicare payments via electronic funds transfer (EFT) effective July 1. Suppliers may see their DME MAC's web page for specifics.
- Suppliers connected to multiple regions will need to understand regional specific file retrieval options, including how to retrieve remittance advice files.
- Suppliers may refer to MLN Matters article SE0540 for more information regarding remittance advice and to MLN Matters article SE0611 for information regarding MREP software they may use to print Medicare's electronic remittances. These articles are available at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0540.pdf> and <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0611.pdf> on the CMS web site.
- New suppliers who want to conduct EDI transactions with Medicare should enroll with the appropriate DME contractor using standard enrollment forms and processes. (Please refer to links below.)
- The implementation of DME MACs for jurisdictions C and D has been delayed pending resolution by CMS of a formal protest of those awards. Because of this delay, suppliers providing services to Medicare beneficiaries in Virginia and West Virginia will continue to be serviced by AdminaStar until further notice. Once the protest is resolved and the new DME MAC for jurisdiction C can be implemented, it will take over the work for Virginia and West Virginia.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0628.pdf>

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0540.pdf>

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0611.pdf>

For additional information about Medicare Contracting Reform, and specifically the DME MAC transition process, please refer to <http://www.cms.hhs.gov/MedicareContractingReform/> on the CMS web site.

For information about Medicare Provider-Supplier Enrollment, please refer to <http://www.cms.hhs.gov/MedicareProviderSupEnroll/> on the CMS web site.

Form CMS 855S, Medicare Federal Health Care Provider/Supplier Enrollment Application, can be found at <http://www.cms.hhs.gov/MedicareProviderSupEnroll/downloads/cms855s.pdf> on the CMS web site.

Suppliers may find the toll-free telephone number for their Medicare contractor at <http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.pdf> on the CMS web site.

New DME MAC web pages include the following

- NHIC: <http://www.medicarenhic.com/dme/index.shtml>
- AdminaStar:
<http://www.adminastar.com/Providers/DMERC/ContractorReform/ContractorReform.html>